

Hungary's Cybersecurity Relationship Challenges with Chinese-Built Telecommunications Infrastructure

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Abstract

The rapid development and proliferation of cyber-augmented infrastructure is a global phenomenon that requires national governments to develop new cybersecurity policies and strategies that include cooperation with other countries and alliances to protect national assets. Energy, manufacturing, logistics, and telecommunications are sectors critical to the stability and functionality of a nation's international communications and commercial activity that require global connectivity in order to function. National governments face two challenges: protecting their own autonomy and control over state-level assets as well as developing and maintaining platforms for collective security alliances. Policymaking will be a balancing act to ensure both needs are realised.

The Central European nation of Hungary faces a complex reality when considering its development in cyber-augmented infrastructure and cybersecurity policy. Hungary has experienced a fast-paced development in cyber-augmentation of its state-level infrastructure thanks to investments from various Chinese firms. However, such investments have put Budapest's security allies on edge with concerns about information assurance and potential risks to cyber-based espionage and sabotage.

Hungary's political leadership insists on maintaining such ties with China in pursuit of its own national objectives. Such an impasse necessitates mediation.

This report will provide an in-depth overview of the points of contention between Hungary and its security defence allies, the U.S. and NATO in particular, and what potential measures exist for addressing them with regards to maintaining Hungary's security alliances simultaneously with its economic connections to China.

Background — Hungary's Growing Cyber Infrastructure

The investments into Hungarian cyber-augmented infrastructure by eastern countries like China are partially the result of a foreign policy initiative undertaken by Hungary's Prime Minister, Viktor Orbán, called the "Eastern Opening Policy."¹ The purpose for this policy is two-fold: diversifying Hungary's international economic portfolio to avoid over-reliance on western investments and relations, and to position Hungary's international standing as a connection between eastern and western countries. The surest sign that these efforts have yielded results is the fact that Hungary has managed to attract 44% of all Chinese investment in Europe in 2023, with the majority of its investments destined for the electric vehicle (EV) sector.² Hungary's 5G telecommunications infrastructure and research into artificial intelligence have also benefitted from such investments, with firms such as Huawei acting as the agent of their utilisation. While such investments have upgraded the nation's infrastructure, other parties, specifically Hungary's western security allies, are concerned over the potential risk of an effort by China to exert undue influence and control through such investments to the point of being subversive. Previous Chinese investment initiatives in other nations have resulted in either expanded Chinese espionage capabilities or alleged debt-trap situations in which sovereign territory was ceded to Chinese control. In the case of espionage, the construction of a new headquarters for the African Union in 2012 was touted as symbol of international cooperation by Beijing, but in fact was revealed to be an intelligence gathering operation. With the concerns of debt-trap, Sri Lanka is cited as a cautionary tale of taking Chinese business offers that host nations

cannot afford. After the local government was unable to pay back a Chinese loan for constructing the Hambantota International Port, China took over sovereign authority for it through a 99-year lease. Western leaders claim that the case presents evidence of "debt-trap diplomacy" by China.³ Cases like these are behind western aversion to China's international investment ventures made under the "Belt and Road Initiative" (BRI), which is an umbrella concept for Chinese international infrastructural investments. Continued courting of Chinese loans by Budapest, one billion euro most recently in April⁴, fuel international concerns of Sri Lanka's case repeating in Hungary. Such investments from China have been a part of Hungary's economic structure long before the advent of the Orbán administration, stretching as back as far the communist era following World War II, with investments having a strong presence in the automotive industry. The Eastern Opening Policy has primarily acted as a public demonstration by Hungary's political leadership to increase the level of investment from eastern nations as well as more prominently display the prominence Hungary places on its partnerships with eastern nations. The origins have such policymaking are rooted in Hungary's chaotic past. The nation has a long tumultuous history of being torn and fractured as a consequence the East-versus-West imperial conflicts and stand-offs. From the Austro-Hungary and Ottoman empires to the more recent history of contention between the Soviet Union and the U.S.-led "Free World," Hungary has often found itself caught in the middle as either the frontline state for one side or a victim of geographic circumstances between two geopolitical giants. As a result of these periods, Hungarians have found that their nation may serve a crossroad of sorts between the East and West, proliferating a measure of a détente and, consequently, stability. During the Cold War, the political/economic strategy of "Goulash Communism" enabled Hungary to act as a sort of meeting ground between the east and the west, while also increasing the standard of living for Hungarians through a certain level of international trade with the West. The influx of western investment let to a welcoming of western tourists and money, and thus increased consumerism in Hungary, which in turn led to increased living standards for Hungarians. The Eastern Opening Policy has, to a degree,

looked to duplicate this doctrine, though in reverse, by courting more eastern investment at a time when most of the West shuns technological cooperation with China. Along with claims by the Hungarian foreign minister that such investments will result in the future creation of 25,000 jobs in the future, along with over 15 billion euros invested in infrastructure⁵, the current results of inviting Chinese investments has been an upgrade in Hungary's telecommunications, logistics infrastructure, and manufacturing capabilities such as the Chinese automotive firm BYD's bus factory upgrading its capacity through robotic automation.⁶ While these investments have provided a great boost to Hungary's economic outlook as well as the capabilities of its infrastructure, it has come with concerns regarding security by its western defence allies: NATO and the United States.

The debate concerning Hungary's future cybersecurity is structured by its modernising state-level infrastructure. Cyber augmentation of national assets has been most noticeable in the energy, manufacturing, logistics, and perhaps most critical to defence and security matters: telecommunications. In each of these sectors, Hungary has courted foreign capital and technological investment from around the world, with China's own share growing considerably in recent years. Most prominent among the rewards of such investment have been Hungary's 5G telecommunication network built by Huawei⁷ as well as logistics infrastructure that has made Hungary a link to the rest of Europe for Chinese commerce. Among the technological advancements made in this sector, the one that has demonstrated the prowess of cyber capabilities is the East-West Intermodal Terminal in Fényeslitke which serves as a "smart" hub for logistics between Hungary and Ukraine.⁸ Future manufacturing endeavours include battery plants such as the recently authorised CATL factory in Debrecen⁹, which is promoted to be Hungary's largest, and the BYD automotive factory in Szeged.¹⁰

Hungary's position as a growing source for technologically augmented manufacturing and related research and development is a cornerstone of its sovereign interests when it comes to policymaking. In developing international cooperation platforms,

Hungarian national leadership will very likely prioritise the maintenance of these assets for their utility in national employment, technological prowess, economic development, and the nation's position as a "crossroads" between the eastern and western cultures of the world.

The Interests of Hungary — Assets to Protect

Hungary has two primary objectives in its cybersecurity efforts: the protection of its national infrastructure, and the continuation of its western-oriented security affairs, with the latter reinforcing the former. As detailed earlier, Hungary's growing cyber-augmented infrastructure is focused in the sectors of telecommunications, artificial intelligence research and development, manufacturing, and logistics. The impact of cyber-augmentation on these sectors means that what is at stake for Hungary is its functionality as a society as well as ability to employ its population in efforts of production. This makes the security of Hungary's cyber realm critical for survival. For a successful defence, the transglobal nature of the cyber realm necessitates that Hungary maintain its international alliances for a successful protection of its interests. The borderless nature of the cyber realm, the constant evolution of threats, and the ambiguous nature of cyber actors all prove the value of international cooperation for Hungary's cybersecurity assurance. Sharing information on developing threats and trends, establishing protocol for collective responses, and cross-training for capabilities are benefits derived from such alliances to ensure successful cybersecurity.

The primary objectives and outlook concerning the nation's cybersecurity needs are outlined in the "National Cyber Security Strategy of Hungary," which is designated as government Decision No. 139/2013. Passed by Parliament on the 21st of March in 2013, this document acts as a guidepost for the country's developing cyber security infrastructure and platforms. What the text clearly delineates is what the national leadership considers its key assets to protect: national sovereignty, the internet as a "free and open space," and its ability to cooperate with its cybersecurity allies.¹¹ It should be noted that the North Atlantic Treaty Organisation (NATO), the Organisation

for Security Cooperation in Europe (OSCE), and the United Nations (UN), are designated by name as the primary partners sought by Hungary's leadership in cybersecurity cooperation. As explained by Dr. Tamas Varga, senior researcher and professor of strategic European defence analysis at the John Lukacs Institute, "NSS (National Security Strategy) 2020 formally incorporated NATO cyber policy guidelines into Hungarian strategic thinking, as: 'Hungary considers cyber capabilities capable of causing substantial material damage or a threat to physical security as weapons, their use as an act of armed aggression, to which a response by physical means is also an option' (Par. 101). This is practically the precise adoption of NATO's policy effective since 2014, similarly leaving the option of response in cyber or physical space open for deliberation on a case-by-case basis."¹² What this policy exemplifies is NATO's continued prominence in the minds of Hungarian policymakers in terms of valuing the alliance as vital to Hungarian national defence, including new challenges such as cyber affairs.

The Security Challenges for Hungary

The core of the divergence between Hungary and the U.S. over approaching Chinese relations is differing perceptions on threat versus opportunity. While Hungary primarily sees China as a trade partner, the United States and its security allies, while maintaining their own trade relations with Beijing, view China as a rival or even an adversary. From these dispositions, the question of cybersecurity affairs becomes an issue entangling infrastructure development, continued economic cooperation, and multinational cybersecurity doctrine. To formulate potential solutions for the impasse between Washington and Budapest, what first must be understood is the various factors that have contributed to it in the first place.

- Duelling Perceptions

The primary challenge Hungary faces with regards to cybersecurity cooperation with its western partners is its Chinese investments into cyber-augmented infrastructure and

its developing law-enforcement cooperation with Beijing. From the perspective of the United States government and NATO leadership, the integral role Chinese investment play in Hungary's telecommunications infrastructure in serious risk to information and communications security assurance. For Hungary however, Chinese cyber investments have modernised their infrastructure, enriched their economy, and employed their populace. The conundrum over Chinese technology and funding however is an issue that reaches beyond Hungary's borders.

The proliferation of Chinese telecommunication technology was, until recently, a worldwide affair. Even the United States and the rest of Europe, along with most of the world, were willing consumers of Chinese telecommunications equipment before an estrangement began to develop between China and the U.S., along with its allies. While most of Europe and the United States have looked to "de-risk" their relations with China through ending infrastructural projects or platform of technological cooperation, Hungary has continued developing such connections. This divergence in policy has become a point of contention, with the U.S. warning that such relations have become a risk to collective security. As covered by Politico, U.S. leadership has lobbied European allies in recent years to dismantle Chinese equipment and avoid any future initiatives to incorporate it into their infrastructure plans.¹³ In particular, the article notes the special attention paid to the "Five Eyes" countries which include the United States, the United Kingdom, Canada, Australia, and New Zealand due to the relationship of sharing signals intelligence, which was considered to be at risk from Chinese-made telecommunications equipment. As a result, these countries have focused on systematically decommissioning any equipment in their telecommunications infrastructure made by Chinese technology firms. However, Hungary's position has been one of continuing cordial relations with China as well as debating the issue of U.S. security concerns as a well as the wisdom behind the strategy of de-risking its relations from China. Hungary's actions have elicited concerns from U.S. officials. A notable reaction to Hungary's divergence from the rest of Europe's position towards Huawei

came from U.S. Senator Mitch McConnell in April of 2024, in which he expressed concern for the relationship between China and Hungary over Beijing's critical infrastructure ventures and the joint policing agreement signed. In his own words:

"...our European NATO allies are waking up – not only to the harsh reality of Russian aggression, but also to the linked threats facing Western security and prosperity, to the urgent requirements of defence production, and to the particular challenge the PRC (People's Republic of China) poses as a systemic rival. But Hungary? Not so much. Victor Orbán's government has cultivated the PRC as its top trading partner outside the EU. It has given Beijing sweeping law enforcement authorities to hunt dissidents on Hungarian soil. It was the first European country to join Beijing's Belt-and-Road Initiative, which other European governments – like Prime Minister Meloni's in Italy – have wisely decided to leave."¹⁴

Senator McConnell's characterisation of China as a "systemic rival" to the West and Hungary's growing security relationship with Beijing makes clear the viewpoint that China is a security threat to the West. As Varga points out in his analysis, Hungary's own National Security Strategy acknowledges in paragraph 119 that "While capitalising on economic cooperation, we must also take into account the factors resulting from the vulnerability that may stem from investment in critical infrastructure by an emerging China, its appearance as a possible supplier of state-of-the-art information technology, and in general by an increase in its regional influence." Varga opines in his executive summary that Hungary's overall strategy is one that is "more mature" in approaching the complex realities of the current geopolitical environment in a manner that prioritises threats, cybersecurity being one, and names key partners to address them such as the United States.¹⁵ However, this strategy is not clearly reflected in Budapest's public statements regarding cooperation with China on infrastructural development. Instead, Hungary's political leadership demonstrates an outlook is strikingly different due to prioritising economic affairs rather than security ones, at least publicly.

As detailed by Gilchrist in a 2023 article for CNBC, Hungarian Foreign Minister Peter Szijjártó has characterised the European strategy of decoupling from China as “economic suicide.”¹⁶ Szijjártó’s assessment of Europe contemporary policymaking bodies is one that is “very ideological and emotional,” rather than one that is focused on “realism” and economic development. “There’s a big gap between the political perception and the reality on the ground. A decoupling would kill the European economy and be very harmful to the German economy as well.” This demonstrates the focus of the Hungarian foreign policy being oriented towards economic development over security concerns, while most of Europe has adopted the reverse. Moreover, the western disposition of viewing China as a competitor, or even an adversary is one that Hungarian leadership has objected to as well. As Szijjártó has stated, “It’s obvious that if you want to compete with China, if you want to look at China as a rival to us, then we Europeans will lose on it.” The Hungarian desire for reorientation towards cooperation is vocalised by the foreign minister as well. “Why don’t we come back to the basis of rationality, common sense, reality and pragmatism, and why don’t we start to make an even closer relationship with China than before?” The Hungarian disposition of approaching China with the intention of deepening relations goes beyond the economic and infrastructural development. Recently, security cooperation between the two nations has been explored, much to the discontent and even alarm of Hungary’s traditional western defence allies.

- *Joint Policing Agreement*

Hungary’s developing relationship with China further complicates its standing with NATO and the United States due to the recent signing of a series of memorandums of understanding, one of which includes law enforcement cooperation. Monikered as the “Memorandum of Understanding between the Ministry of Interior of Hungary and the Ministry of Public Security of the People Republic of China on performing joint patrolling police,” the agreement acts as a platform for cooperation between

Hungarian and Chinese law enforcement. As explained in a series of talking points released by Hungarian authorities, "The aim of the agreement on the provision of joint patrol services is to improve security in the tourist areas of the two countries during peak tourist seasons, peak periods and generally during events that attract large crowds - both to protect the safety of Chinese tourists in Hungary and to protect Hungarian tourists in China. Police officers from the two countries will be able to jointly carry out patrol duties in the future, thus facilitating better communication between citizens and authorities of the two countries, thus improving internal security and public order in both countries."

The Hungarian government has anticipated public concerns for jurisdiction and sovereignty, as would be expected when confronting the possibility of foreign law enforcement operating within another country. As such, it has released talking points regarding the permissions and purpose of this cooperation. As detailed below, the function of the law enforcement cooperation is joint patrols to engage the Chinese community as well as tourists and overcome linguistic obstacles.

"During joint patrols, the police officers of the sending Party do not have the legal status of members of the police force and are unarmed. In order to protect public order and public security, their task is to assist the police officers of the host Party, in particular to facilitate communication with nationals of the sending Party, tourists and diplomatic and consular authorities of their own country in the event of problems. During joint patrols, guest patrol officers must comply with the laws of the host Party and must follow orders given by the competent authorities of the host Party responsible for joint patrol services. Guest patrol officers are not authorised to exercise police powers and must always act under the responsibility and in the presence of the competent authority of the Host Party."

What the talking points primarily focus on is the issue of public optics. Foreign police officers, especially those from another nation, will inevitably draw questions of sovereignty and authority. Additionally, Hungarian officials make the attempt to equate

the relationship to previous relations with other foreign police forces from other European countries as well as the U.S. The conclusion of the talking points details this towards the end of the release:

"The conclusion of similar agreements is not unprecedented, Hungarian police officers also assist their Croatian colleagues on the Croatian coast during the peak tourist season, and Austrian police officers have also been on joint duty with their Hungarian colleagues at Lake Balaton. In addition, Hungary has active and functioning agreements with the Slovak Republic, the Republic of Serbia and Romania. Furthermore, FBI officers are stationed in Hungary in the framework of police cooperation."

What these talking points do not address is the history of Chinese police work abroad as well as how it differs from western policing when it comes to the matter of civil rights and due process.

Besides the issues of information security, the presence of Chinese police officers on Hungarian soil raises the question of human and civil liberties of the general public when taking account of past Chinese police actions overseas. In October of 2022, an incident occurred involving Chinese officials clashing with protesters outside the Chinese consulate located in Manchester, England. Demonstrators were protesting over the police actions during the 2019-2020 Hong Kong democracy riots. As the BBC reports, the incident escalated to the point of a protestor being dragged inside the consulate grounds and being physically attacked by Chinese officials, who were recalled to China.¹⁷ Beyond overt violence such as the Manchester incident, Chinese police have also developed a reputation for subversion abroad through secret police stations around the world that monitor Chinese dissidents and at times facilitate their forced extradition back to China, subverting the authority and sovereignty of other countries.¹⁸ While the focus of the United States, the United Kingdom, and the rest of Europe are focused on potential security and sovereignty violations by the pretence of Chinese police officer, Hungarian officials have prioritised the economic opportunities that such a relationship brings while criticising the defensive attitude taken towards Beijing as orienting NATO to becoming an "anti-China bloc."¹⁹

Equating law enforcement cooperation with China as the same with European and American ones through these talking points further demonstrates the Hungarian disposition of not viewing China as a competitor or adversary, as well as the evident desire for the rest of Europe and the U.S. adopt a similar viewpoint from Mr. Szijjártó's comments. However, what remains the greatest challenge to security alliance between Hungary and its western allies however is not addressed in these talking points, which is the issue of information security. It is this factor that is the greatest obstacle to ensuring Hungary's position in NATO and the security of its defence relations with the U.S.

- *The question of information security / the African Union incident*

The Chinese-Hungarian policing agreement focuses on establishing a basis for joint police patrol cooperation, but what the greatest perceived threat to western security is the larger picture that this agreement contributes to in the end. In fact, it is the potential information assurance vulnerabilities that develop with the combination of law enforcement cooperation as well as telecommunications infrastructure being built by China. A primary example of this issue is the existence of the Hungarian Management Communication System.²⁰ Telecommunications hardware, when built by a foreign power, always carries with it a risk of being utilised by said power at the determined of the client nation. In the case of China, this has happened previously on numerous occasions. One of the more infamous instances is the case of the African Union Headquarters in Addis Ababa, Ethiopia. Constructed by the Chinese in 2012 as a gesture to support international cooperation and demonstrate China's potential of being a "good global citizen."²¹ However, the new headquarters building of the African Union was revealed to in fact be an intelligence gathering effort in 2018. Acting on information provided by Japanese Computer Emergency Response Team, African Union cybersecurity specialists uncovered that China's gift was in fact a Trojan horse.

The servers of the building's computer systems were having information siphoned by Chinese hackers. Beijing officials denies the accusations.²² The hacker group behind the operation, known as BRONZE PRESIDENT, is a Chinese Advanced Persistent Threat (APT) group that has carried out attacks in the past in support of the Chinese government since 2012, according to research conducted by Palo Alto networks.²³ Through Chinese provided infrastructure, BRONZE PRESIDENT was able to gather massive amounts of data such security camera feeds, meeting recordings, and other data about the internal operations and strategies of the African Union. It is this scenario that western defence and security leaders fear could be repeated in the case of NATO, hence the initiative to strip away Chinese made equipment from national telecommunications infrastructure of member states.

Ensuring security for Hungarian telecommunications infrastructure built by China, along with the confidence of its defence and security allies, is an endeavour that requires closer cooperation between Hungary and the U.S. Beyond ensuring that is current alliances remain intact, Hungarian national security leadership may also find that such a connection may also provide an opportunity for other issues and viewpoints concerning Hungarian interests may be better understood and heard by their American allies. A number of options exist for Hungarian policymakers to pursue in order to address the concerns of its defence and security partners as well as provide new options for presenting concerns of their own.

Potential Strategies for Hungary

The dual needs for continued security relations with the U.S. and the European Union as well as ongoing economic relations with China necessitate attention from Hungary's political leadership if both are to continue. The focus of the contention regarding China is at the strategic level of collective defence through NATO. However, the issue may perhaps be better addressed through the bilateral relationship between the United States and Hungary. The success behind China and Russia when it comes to their relationship with Hungary is specific attention focused on their immediate

infrastructural needs: energy, technology, and economic development. These issues have been addressed in the bilateral manner, which has garnered the attention of Hungarian political leadership. For both the United States and Hungary, a renewed focus on enhancing the bilateral relationship would serve to mediate the aforementioned concerns as well as enhance Hungary's status in the multilateral NATO sphere.

- *Bilateral Work to Support the Multilateral Alliance*

Along with the direct infrastructural issues Hungary faces with concerns to its security relations, it also suffers from an image problem. The optics surround Hungary's political leadership with regards to cybersecurity policy is that it is not addressing the concerns of the United States and other European nations regarding Chinese espionage through telecommunications and artificial intelligence infrastructure. Combined with recent Hungarian political maneuverers at delaying in the induction of new member states into NATO and continued energy relations with Russia, the characterisation of Hungary is one that is starting to diverge from the collective outlook of the alliance. Hungary's counter is that they "stand alone" in the cause of attempting to restore peace and stability to Europe, in contrast to the U.S. and Europe coalition being oriented towards conflict, as characterised by Budapest. Regardless of whether the characterisation of the concerned parties is correct, Peter Szijjarto's characterisation of contemporary foreign policy being motivated by emotion and ideology is correct, specifically when it comes to the issue of alliance unity.

With this in mind, the bilateral relationship between the United States and Hungary has the potential to mend the rift by offering a more direct platform between the two countries that is focused on strictly issues of security assurance and protecting economic relations with China, specifically from a dispassionate disposition without ideological bents. Utilising the bilateral relationship to address points of contention offers Hungary and the United States two key benefits: direct contact through national

security policymakers and a certain level of close confidentiality for the two parties to interact more directly than through multilateral platforms.

- *Increased contact between national security councils*

Recently, Hungary established a new national security body that is headed by Hungary's Chief National Security Advisor to the Prime Minister, Marcell Biró, focused on policymaking and advising.²⁴ This body, which is modelled after the U.S. National Security Council, offer potential opportunity for collaboration. By directly connecting with its U.S. counterpart, the Hungarian national security council will be able to orient the dialogue more towards addressing the security concerns the Americans raise as well as offer potential solutions. Marcell Biró's position of having direct access to the Prime Minister regarding national security affairs offers a direct line of communication to the head of state. Meanwhile, the U.S. National Security Council, like its Hungarian counterpart, is overseen and led by the U.S. National Security Advisor, who reports directly to the President of the United States. This proposed line of connection, which would be oriented on matters of mutual security to the benefit of both nations, offer both a line of direct communication between leaderships as well as similar platforms for joint strategy design and policymaking to address the issues at hand.

- *Increased intelligence sharing*

The differing outlooks concerning China is the primary factor in the discourse between Hungary and the United States along with its allies. If taken at face value, the public comments made by Peter Szijjarto calling for Europe to strengthen its ties to China rather than "de-risk" them, along with stating that Hungary saw no reason for security concerns, demonstrates a lack of a shared knowledge base between the United States and Hungary. To rectify this disconnect, the possibility of enhancing intelligence sharing on the bilateral level provides an opportunity present the justifications for each

nation's disposition regarding their viewpoint of China along with filling in the knowledge gaps for each other concerning strategic situational awareness. Focusing shared information specifically on cybersecurity affairs would highlight the collective risk to both the United States and Hungary in the context of the NATO alliance. As stated earlier, the primary concern for Hungary in regards to Chinese cyber investments is the potential danger posed to collective cybersecurity. By addressing the issue bilaterally, issues can be addressed and resolved more quickly for the benefit of the larger multilateral alliance.

Desired Result — Security assurance and preserved Chinese economic relations

The ideal outcome of the situation for Budapest is preserving the economic connection Hungary has built with China while also ensuring that its security relations with the United States and NATO remain strong. To see this scenario realised, the issue of security assurance regarding Chinese-built cyber augmented infrastructure must be resolved. The incoming Trump administration in Washington D.C. offers the greatest opportunity to ensure the security relationship endures. This is due to strong affinity that Prime Minister Viktor Orbán and President Donald Trump have for one another regarding their political outlooks on regional stability and the importance of preserving of national sovereignty. Their strong familiarity and common political outlooks set the stage for a more cordial relationship to address such challenges, unlike the frigid relations with the Biden administration over the past four years. Ultimately, if Chinese-built infrastructure is deemed to be a threat to NATO's collective security, and thus potentially endangering Hungary's stance in the alliance should it be viewed as desiring to continue hosting it, then addressing the security concerns is Hungary's assured path to maintaining both relations. Simultaneously, a bilateral platform between national security bodies would enable the U.S. to provide a more detailed brief to its Hungarian allies of what risks and dangers exist with Hungary's current infrastructure for the

alliance. What hinders both sides of the relationship is a full comprehension of the concerns of each side. This can ultimately be rectified through communication that is oriented towards seeing the concerns of each party addressed with solutions focused on ensuring that relations are maintained rather than terminated.

- *Hungarian Policy Needs*

In its engagement with the U.S., the primary objective that Hungarian officials need to accomplish is addressing U.S. security concerns with regards to the cybersecurity of its Chinese-built telecommunications infrastructure as well as questions about future information sharing between Budapest and Beijing. The combination of Chinese-built infrastructure and developing law enforcement-focused relationships demonstrate a growing relationship in the field of security and defence which has indications of continuing to evolve. Statements by Chinese Public Security Minister Wang Xiaohong desiring to “deepen cooperation in areas including counter-terrorism, combating transnational crimes, security and law enforcement capacity building under the belt and road initiative,” demonstrate a desire to continue developing the relationship.²⁵ With it comes questions of what information may be shared and how this relationship potentially may clash with those with NATO and the U.S. What Hungary must accomplish to assuage U.S. fears is ensure that the relationship with China does not compromise information assurance nor result in infrastructure vulnerabilities that could be taken advantage of in a malicious manner.

- *U.S. Policy Needs*

The key issue for U.S. policymakers to recognise is the emphasis Hungary puts on its economic development. Chinese infrastructure investment provides Hungary the modern technological and infrastructural capabilities it covets, most notably in the realms of telecommunications and artificial intelligence. The obstacles the U.S. is mostly

likely to encounter are those in which Hungary believes its infrastructure may be in danger. The push by the U.S. for its NATO to allies to decommission Chinese equipment is very likely to continue to face push-back from the Hungarians concerned about the impact this will have on their economy, and about what alternatives exist to replace such infrastructure. Continuity of capabilities and infrastructural development is critical from the Hungarian disposition. Whatever Hungarian national capabilities may be hindered as a result of a security overhaul, alternative options will likely be needed for Budapest to seriously consider any sort of American proposition.

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